



*Quarterly Accounts September 30, 2019
(Un-Audited)*



Contents

Company Information	02
Director's Report	03
Condensed Interim Statement of Financial Position	04
Condensed Interim Statement of Profit and Loss	05
Condensed Interim Statement of Cash Flows	06
Condensed Interim Statement of Changes in Equity	07
Notes to the Condensed Interim Financial Information	08



COMPANY INFORMATION

CHAIRPERSON

Mrs. Shahnaz Umar

CHIEF EXECUTIVE

Mr. Mohammad Mahboob

BOARD OF DIRECTORS

Mrs. Shahnaz Umar
Mr. Mohammad Mahboob
Mrs. Sadiya Umair
Mr. Muhammad Tariq
Mrs. Zainab Malik (Independent Director)
Mr. Saeed Ahmed Khan
Mr. Shaukat Nazir Malik (Independent Director)

AUDIT COMMITTEE

Mr. Shaukat Nazir Malik	Chairman
Mrs. Zainab Malik	Member
Mr. Muhammad Tariq	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Sadiya Umair	Chairperson
Mr. Mohammad Mahboob	Member
Mr. Saeed Ahmed Khan	Member

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr.Saeed Ahmad Khan

AUDITORS

M/S Rahman Sarfaraz Rahim Iqbal Rafiq. (Chartered Accountants)
Member of Russell Bedford International.
72-A, Faisal Town, Lahore.

TAX ADVISER

M/S Tipu Associates
97/8-B, Babar Block, Garden Town, Lahore

INTERNAL AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq (Chartered Accountants)
Member of Russel Badford International.
72-A, Faisal Town, Lahore.

LEGAL ADVISER

Salman Akram Raja.
Raja Mohammad Akram & Co., Advocates & Legal Consultants
33-C Main Gulberg Lahore.

REGISTRAR OF THE COMPANY

Vision Consulting Ltd.
3 – C , 1st floor, LDA Flats, Lawrance Road Lahore
Ph: + 92 42 36283096-97

REGISTERED OFFICE

44-E-1, Gulberg III, Lahore
Ph: + 92 42 3571 4191-94 , Fax: + 92 42 3571 0048
W: www.hiratex.com.pk

MILLS

8 KM Manga Raiwind Road Raiwind District Kasur



Directors' Report

We hereby present the un-audited financial statements of the Company for 1st Quarter ended on September 30, 2019. The Company's sales are Rs. 269,345 million as compared to Rs. 688,485 million during the corresponding period of last year. Gross Loss for the period is Rs. 76,250 million showing a decrease of 103.8 % over the gross profit of Rs. 3,881 million in the corresponding period. Decrease in G.P. is due to decrease in sale rates and increase in fuel\ power and wages cost.

Loss from operations is Rs. 136,429 million as compared to loss of Rs. 73,997 million in the corresponding period. The decrease in operational profit is mainly due to decrease in G.P. Profit after tax is Rs. 176,681 million as compared to loss of Rs. 98,223 million in the corresponding period. Hira Terry Mills Limited has beard loss of Rs. 37,558 million in the current profit of the company. Loss per share for three months period is Rs. 2.04 as compared to loss of Rs. 1.15 during the corresponding period of last year.

Though the result of the current quarter is not satisfactory due to difficult business condition but at the same time the management is hopeful for better profitability of the company for the remaining year.

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication & devotion displayed in the success & growth of the company. The Directors also wish to place on record their thanks to the Bankers and other Stake holders for their continued support to the company.

On behalf of the Board

Mrs. Shahnaz Umar
(Chairperson)

Mr. Mohammad Mahboob
(Chief Executive Officer)

Lahore
Jan 21, 2020



ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2019 کو مختصر پہلی سہ ماہی کے لیے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 269.345 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 688.485 ملین تھی۔ زیر جائزہ مدت کے دوران مجموعی نقصان (GP) 76.250 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران 3.881 ملین روپے منافع تھا۔ اس طرح اس مدت میں مجموعی منافع پچھلے سال کی اسی مدت کے مقابلے میں 103.80 فیصد کم رہا۔ مجموعی منافع میں کمی کی بڑی وجہ ایندھن اور مزدوری کی لاگت میں اضافہ اور قابل فروخت مال کے دام میں کمی ہے۔

کمپنی کا اپریشنل نقصان 136.429 ملین روپے رہا جب کہ پچھلے سال اسی مدت کے دوران نقصان 37.997 ملین روپے تھا۔ نقصان میں یہ اضافہ مجموعی منافع میں کمی کی وجہ سے ہوئی۔ بعد از ٹیکس نقصان 176.681 ملین روپے رہا جب کہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 99.230 ملین روپے تھا۔ موجودہ نقصان میں میسرز حرا میری ٹریڈنگ کا 37.558 ملین روپے نقصان شامل ہے۔ رواں سہ ماہی کے لئے فی حصص نقصان 2.64 روپے ہے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان 1.15 روپے تھا۔

اگرچہ مشکل کاروباری حالات کی وجہ سے رواں سہ ماہی کے دوران کمپنی کی کارگردگی تسلی بخش نہ رہی۔ تاہم کمپنی کی انتظامیہ حکومت کی جانب سے برآمدی رعایت کے اعلان سے سال کے باقی ماندہ عرصہ کے لئے بہتر منافع کے لئے پر آمید ہے۔

ڈائریکٹرز، کمپنی کے عملے اور کارکنان کی اپنے کام کی لگن اور ایثار کے لئے جو انھوں نے کمپنی کی کامیابی اور بہتری کے لئے کی ہیں کو تحسین کی نظر سے دیکھتے اور سراہتے ہیں ڈائریکٹرز ٹینکڑا اور دیگر حصہ داروں کا کمپنی کی مسلسل حمایت پر شکریہ ادا کرتے ہیں۔

مخائب بورڈ

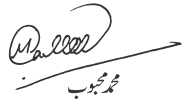


مسر شہناز احمد

لاہور

21 جنوری، 2020

(چیئر پرسن)



محمد محبوب

چیف ایگزیکٹو آفیسر



Condensed Interim Statement of Financial Position

as at September 30, 2019

	Un-Audited September 30, 2019	Audited June 30, 2019
	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,419,919,297	2,446,540,823
Long term investment-	31,309,825	68,867,548
Long term Advance & Deposits	33,026,841	33,026,841
	2,484,255,963	2,548,435,212
CURRENT ASSETS		
Stores, spares and loose tools	34,853,440	36,417,562
Stock in trade	487,073,632	251,674,899
Trade debts	225,629,965	605,316,530
Advances, Deposits, Prepayments & other receivables	186,981,097	196,726,360
Tax refundable due from Government - (Net of provision)	63,618,524	66,311,981
Cash and bank balances	95,170,028	8,316,676
	1,093,326,686	1,164,764,008
TOTAL ASSETS	3,577,582,649	3,713,199,220
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital		
87,000,000 ordinary shares of Rs. 10 each	870,000,000	870,000,000
Issued , subscribed and paid-up capital		
86,577,920 ordinary shares of Rs. 10 each	865,779,200	865,779,200
Share premium	82,500,000	82,500,000
Surplus on revaluation of property, plant and equipment	460,685,342	465,056,876
Unappropriated profit	(1,683,084,144)	(1,510,775,030)
Shares Holders' Equity	(274,119,602)	(97,438,954)
NON CURRENT LIABILITIES		
Long term finances - Secured	908,845,098	908,845,098
Loan from directors and family members - Unsecured	213,493,000	213,493,000
Liabilities against assets subject to finance Lease	-	-
Employees retirement benefits	7,893,687	7,893,687
Deferred taxation	220,896,635	220,896,635
	1,351,128,420	1,351,128,420
CURRENT LIABILITIES		
Trade and other payables	780,480,887	809,150,599
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	314,338,930	242,790,441
Short term borrowings	1,345,646,184	1,345,646,184
Current maturity of long term liabilities	57,350,614	59,165,314
	2,500,573,831	2,459,509,754
TOTAL EQUITY AND LIABILITIES	3,577,582,649	3,713,199,220

The annexed notes form an integral part of these financial statements

Lahore
Date : January 21, 2020


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Statement of Profit and Loss (Un-audited)

For the quarter ended as at September 30, 2019

	September 30, 2019	September 30, 2018
	Rupees	Rupees
Sales - net	269,345,668	688,485,912
Cost of goods sold	345,595,468	684,604,776
Gross profit	(76,249,800)	3,881,136
Other income	12,000,000	-
Distribution cost	7,500	1,913,308
Administrative expenses	12,706,358	17,932,410
Other operating expenses	-	-
Finance cost	59,465,810	58,032,532
	72,179,668	77,878,250
Profit from Operations	(136,429,468)	(73,997,114)
Share of profit of Hira Terry Mills Limited	(37,557,723)	(18,432,823)
Profit/(Loss) before tax	(173,987,191)	(92,429,937)
Provision for taxation	2,693,457	6,792,918
Profit/(Loss) after tax	(176,680,648)	(99,222,855)
Earnings/(Loss) per share - basic and diluted	(2.04)	(1.15)

The annexed notes form an integral part of these financial statements



Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended September 30, 2019

	Quarter ended	
	Sept. 30, 2019	Sept. 30, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(173,987,191)	(92,429,937)
Add Depreciation of property, plant and equipment	32,772,607	33,416,989
Employee benefits- provision for the period	5,659,474	4,500,000
Share of Profit of Hira Terry Mills Limited	37,557,723	18,432,823
Finance cost	59,465,810	58,032,532
	(38,531,577)	21,952,407
(Increase)/ decrease in store, spare and loose tools	1,564,122	8,339,913
(Increase)/ decrease in stock in trade	(235,398,733)	234,519,969
(Increase)/ decrease in trade debts	379,686,565	7,954,113
(Increase)/ decrease in loans & advances	11,271,913	11,530,262
(Increase)/ decrease in Tax refundables	2,693,457	46,706,890
Increase/ (decrease) in trade & other payables	(28,669,712)	(190,240,987)
Cash generated from operations	92,616,035	140,762,567
Finance cost paid	(4,088,983)	(39,085,999)
Gratuity paid	(1,673,700)	(797,215)
Income taxes paid	-	(2,079,391)
Net cash used operating activities	86,853,352	98,799,962
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Long term deposits	-	-
NET CASH USED IN INVESTING ACTIVITIES	-	-
Long term financing	-	-
Payment of liabilities against assets subject to finance lease	-	(933,414)
Short term borrowings - secured	-	(132,768,199)
NET CASH FLOW FROM FINANCING ACTIVITIES	-	(133,701,613)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	86,853,352	(34,901,651)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,316,676	68,271,810
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	95,170,028	33,370,159
The annexed notes form an integral part of these financial statements	-	-

Lahore
Date : January 21, 2020


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended September 30, 2019

	Share capital	Share premium	Unappropriated profits	Surplus on Revaluaviotn	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30 ,2018	865,779,200	82,500,000	491,629,425	507,951,005	1,947,859,630
Profit / (Loss) for the period	-	-	(99,222,855)	-	(99,222,855)
Incremental Depreciation	-	-	4,762,040	(4,762,040)	-
Balance as at Sep 30 ,2018	<u>865,779,200</u>	<u>82,500,000</u>	<u>397,168,610</u>	<u>503,188,965</u>	<u>1,848,636,775</u>
Profit / (Loss) for the period	-	-	(1,916,619,254)	-	(1,916,619,254)
Other Comprehensive Income / (Loss)	-	-	(1,216,667)	(28,239,808)	(29,456,475)
Incremental depreciation	-	-	9,892,281	(9,892,281)	-
Balance as at June 30 ,2019	<u>865,779,200</u>	<u>82,500,000</u>	<u>(1,510,775,030)</u>	<u>465,056,876</u>	<u>(97,438,954)</u>
Profit / (Loss) for the period	-	-	(176,680,648)	-	(176,680,648)
Incremental Depreciation	-	-	4,371,534	(4,371,534)	-
Balance as at Sep 30 ,2019	<u><u>865,779,200</u></u>	<u><u>82,500,000</u></u>	<u><u>(1,683,084,144)</u></u>	<u><u>460,685,342</u></u>	<u><u>(274,119,602)</u></u>

The annexed notes form an integral part of these financial statements

Lahore
Date : January 21, 2020


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Notes to the Financial Statements (Un-audited)

For the quarter ended as at September 30, 2019

1 CORPORATE INFORMATION

The Company was incorporated in Pakistan on January 31, 1991 as a Public Limited Company and its shares are quoted on Karachi and Lahore Stock Exchanges. The principal activity of the Company is to manufacture and sale of yarn. The registered office of the Company is located at mill site Manga Raiwind Road Raiwind.

2 BASIS OF PREPARATION

- 2.1 These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and the provisions of and directives issued under the Companies Act, 2017.
- 2.2 The accounting policies and methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the preceding published financial statements of the Company for the year ended June 30, 2019.

		Un-Audited September 30, 2019	Audited June 30, 2019
		Rupees	Rupees
3 LONG TERM INVESTMENTS			
Investment in related parties- unquoted			
Hira Terry Mills Limited -associated company			
18,450,000 fully paid ordinary shares of Rs. 10 each		184,500,000	184,500,000
Bonus Issue @20%		36,900,920	36,900,920
Share of Profit		(190,091,095)	(152,533,372)
		<u>31,309,825</u>	<u>68,867,548</u>
4 CONTINGENCIES AND COMMITMENTS			
Contingencies - Guarantees			
Guarantees issued by banks on behalf of the company		29,542,428	29,542,428
		<u>29,542,428</u>	<u>29,542,428</u>
Commitments			
Letters of credit for import of machinery		-	-
Letters of credit for import of raw material		-	-
Letters of credit for import of stores and spares/Others		-	-
		<u>-</u>	<u>-</u>
		Un-Audited September 30, 2019	Un-Audited September 30, 2018
		Rupees	Rupees
5 COST OF SALES			
Stock - opening		20,352,646	361,192,001
Cost of goods manufactured	5.1	459,226,579	641,294,535
Stocks - closing		133,983,757	317,881,760
		<u>345,595,468</u>	<u>684,604,776</u>



Condensed Interim Notes to the Financial Statements (Un-audited)

For the quarter ended as at September 30, 2019

	Un-Audited September 30, 2019	Un-Audited September 30, 2018
	Rupees	Rupees
5.1 Cost of goods manufactured		
Work in process - opening	39,802,358	27,947,507
Raw materials consumed	217,737,105	441,215,851
Overheads	233,859,497	192,662,960
Work in process - closing	32,172,381	20,531,783
	<u>459,226,579</u>	<u>682,358,101</u>

6 RELATED PARTY TRANSACTIONS

The Related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties.

	Un-Audited September 30, 2019	Audited June 30, 2019
	Rupees	Rupees
Transactions with related parties		
Nature of relationship	Nature of transactions	
Associated company	Sales of yarn, cotton, dyes and chemicals	- 239,949,375
	Purchases of towels, cotton, waste, stores and spares	- -
	Expenses charged	- 17,587,235
	Interest charged on balance due	- -
Sponsors	Interest on borrowings paid	- -
	Office rent	- -
Provident fund trust	Contribution for the year	463,843 2,090,508
Balances with related parties		
Associated company	Advance obtained	243,812,438 61,490,681
Sponsors	Borrowings	531,583,673 531,583,673
Provident fund trust	Payable to provident fund	21,147,746 1,622,737

7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 21st January, 2020 by the Board of Directors of the Company.

8 PRESENTATION

- Figures in the financial statements have been rounded-off to the nearest Rupee.

Lahore
Date : January 21, 2020


Chief Executive


Chief Financial Officer


Chairperson